

# **CITY OF BIG RAPIDS**

## ***GENERAL FUND***

### ***DESCRIPTION OF FUND***

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#### **GENERAL FUND**

The General Fund is used to account for all financial transactions not properly accounted for in another fund. The transactions relating to the general government activities of the City, which are financed by property and income taxes, by distribution of state revenues, and by revenues from various municipal activities and services, are recorded in this fund. Costs for City administration are accounted for in this fund. The other operating funds make contributions to the General Fund for overhead or administrative costs which are allocated to each fund. These contributions are reported as transfers in.

# CITY OF BIG RAPIDS

## GENERAL FUND SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Current				
General government				
City Commission	\$ 84,000	\$ 94,000	\$ 89,862	\$ 4,138
City Managers Office	132,400	132,400	132,287	113
Elections	17,800	17,800	11,403	6,397
Assessor	135,800	137,100	126,818	10,282
City Attorney	190,700	191,800	170,484	21,316
Clerks Office	345,400	345,000	339,282	5,718
Treasurers Office	459,800	427,700	408,001	19,699
Income tax administration	89,600	90,600	84,050	6,550
Information management	391,400	461,200	418,777	42,423
Public buildings	101,200	126,500	80,552	45,948
Neighborhood Services	295,700	309,600	244,599	65,001
Planning Board	4,600	5,000	4,588	412
Other expenses	-	23,000	23,000	-
	<u>2,248,400</u>	<u>2,361,700</u>	<u>2,133,703</u>	<u>227,997</u>
Public safety				
Police Department	1,756,200	1,727,900	1,720,527	7,373
Fire Department	810,200	869,900	869,091	809
Other public safety	287,200	267,000	259,353	7,647
	<u>2,853,600</u>	<u>2,864,800</u>	<u>2,848,971</u>	<u>15,829</u>
Public works				
Public service	361,900	367,200	365,681	1,519
Sidewalks, alleys and storm sewers	118,800	147,800	145,359	2,441
Parking	60,300	232,800	229,103	3,697
City Engineer	244,600	242,600	240,860	1,740
City decorations	46,500	49,500	49,157	343
	<u>832,100</u>	<u>1,039,900</u>	<u>1,030,160</u>	<u>9,740</u>
Culture and recreation				
Parks	334,600	277,600	269,192	8,408
Recreation program	50,400	53,400	35,060	18,340
	<u>385,000</u>	<u>331,000</u>	<u>304,252</u>	<u>26,748</u>
Debt service				
Principal	-	135,000	135,000	-
Interest and fiscal charges	-	181,700	180,938	762
	<u>-</u>	<u>316,700</u>	<u>315,938</u>	<u>762</u>
<b>Total expenditures</b>	<b>\$ 6,319,100</b>	<b>\$ 6,914,100</b>	<b>\$ 6,633,024</b>	<b>\$ 281,076</b>

**CITY OF BIG RAPIDS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DESCRIPTION OF FUNDS**

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**SPECIAL REVENUE FUNDS**

**Major and Local Street Funds** - These funds are used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

**Drug Law Enforcement** - This fund is used to account for federal grants to enforce federal anti-drug laws.

**Library Fund** - This fund is used to account separately for activities of the City Library.

**Pool** - This fund is used to account for revenues and expenditures resulting from pool operations.

**Roben-Hood Airport** - This fund is used to account for the revenues and expenditures of airport operations.

**Jennings Fund** - This fund is used to account for donations and income which is legally restricted for the purpose of the gift which supports City activities.

**Miller and Ahlgren** - This fund was established in May 1986. The donors have assisted the City to obtain a historical marker designating Swede Hill as a memorial commemorating the Scandinavian heritage and memory of early Big Rapids settlers.

**Riverwalk Fund** - This fund is used to account for donations and expenditures related to the City Riverwalk.

**River Safety Fund** - This fund is used to account for donations and expenditures related to river safety.

**Band Shell** - This fund is used to account for donations and expenditures related to the Band Shell.

**CAPITAL PROJECTS**

**Capital Projects** - These funds are used to account for the accumulation and disbursement of resources for the construction of capital assets. (City Hall Project and Library Improvement)

**PERMANENT FUND**

**Playscape Fund** - This fund is used to account for donations and expenditures related to the City Playscape Park for which only the interest on the corpus may be expended.

**CITY OF BIG RAPIDS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**JUNE 30, 2007**

	<b>Special Revenue</b>					
	<b>Major Streets</b>	<b>Local Streets</b>	<b>Drug Law Enforcement</b>	<b>Library</b>	<b>Pool</b>	<b>Roben-Hood Airport</b>
<b>Assets</b>						
Cash and pooled investments	\$ 474,405	\$ 569,333	\$ 254,927	\$ 10,406	\$ 30,698	\$ 12,334
Special assessments receivable	-	39,874	-	-	-	-
Due from other governments	107,880	26,262	12,263	7,783	-	-
Inventory	-	-	-	-	-	14,000
<b>Total assets</b>	<b>\$ 582,285</b>	<b>\$ 635,469</b>	<b>\$ 267,190</b>	<b>\$ 18,189</b>	<b>\$ 30,698</b>	<b>\$ 26,334</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 6,684	\$ 41,282	\$ 54,422	\$ -	\$ 6,204	\$ 1,165
Accrued liabilities	-	-	-	3,674	7,457	-
Due to other governments	-	-	166,621	-	-	-
Deferred revenue	-	39,874	-	-	-	-
<b>Total liabilities</b>	<b>6,684</b>	<b>81,156</b>	<b>221,043</b>	<b>3,674</b>	<b>13,661</b>	<b>1,165</b>
<b>Fund balances</b>						
Reserved						
Restricted contributions	-	-	-	-	-	-
Permanent fund corpus	-	-	-	-	-	-
Inventory	-	-	-	-	-	14,000
Unreserved						
Undesignated	575,601	554,313	46,147	14,515	17,037	11,169
<b>Total fund balances</b>	<b>575,601</b>	<b>554,313</b>	<b>46,147</b>	<b>14,515</b>	<b>17,037</b>	<b>25,169</b>
<b>Total liabilities and fund balances</b>	<b>\$ 582,285</b>	<b>\$ 635,469</b>	<b>\$ 267,190</b>	<b>\$ 18,189</b>	<b>\$ 30,698</b>	<b>\$ 26,334</b>

					Capital Projects		Permanent		
<u>Jennings</u>	<u>Miller and Ahlgren</u>	<u>Riverwalk</u>	<u>River Safety</u>	<u>Band Shell</u>	<u>City Hall Project</u>	<u>Library Improvement</u>	<u>Playscape</u>	<u>Total</u>	
\$ 4,493	\$ 5,206	\$ 3,349	\$ 24,944	\$ 1	\$ 62,693	\$ 73,309	\$ 19,093	\$ 1,545,191	
-	-	-	-	-	-	-	-	39,874	
-	-	-	-	-	-	-	-	154,188	
-	-	-	-	-	-	-	-	14,000	
<u>\$ 4,493</u>	<u>\$ 5,206</u>	<u>\$ 3,349</u>	<u>\$ 24,944</u>	<u>\$ 1</u>	<u>\$ 62,693</u>	<u>\$ 73,309</u>	<u>\$ 19,093</u>	<u>\$ 1,753,253</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,757	
-	-	-	-	-	-	-	-	11,131	
-	-	-	-	-	-	-	-	166,621	
-	-	-	-	-	-	-	-	39,874	
-	-	-	-	-	-	-	-	327,383	
4,493	5,206	3,349	-	-	-	-	-	13,048	
-	-	-	-	-	-	-	17,000	17,000	
-	-	-	-	-	-	-	-	14,000	
-	-	-	24,944	1	62,693	73,309	2,093	1,381,822	
<u>4,493</u>	<u>5,206</u>	<u>3,349</u>	<u>24,944</u>	<u>1</u>	<u>62,693</u>	<u>73,309</u>	<u>19,093</u>	<u>1,425,870</u>	
<u>\$ 4,493</u>	<u>\$ 5,206</u>	<u>\$ 3,349</u>	<u>\$ 24,944</u>	<u>\$ 1</u>	<u>\$ 62,693</u>	<u>\$ 73,309</u>	<u>\$ 19,093</u>	<u>\$ 1,753,253</u>	

# CITY OF BIG RAPIDS

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue					
	<u>Major Streets</u>	<u>Local Streets</u>	<u>Drug Law Enforcement</u>	<u>Library</u>	<u>Pool</u>	<u>Roben-Hood Airport</u>
<b>Revenues</b>						
Intergovernmental revenues						
Federal	\$ -	\$ -	\$ 237,799	\$ -	\$ -	\$ -
State	579,549	159,024	5,000	15,628	-	-
Charges for services	-	-	-	4,013	35,706	56,513
Fines	-	-	-	142,470	-	-
Special assessments	-	8,137	-	-	-	-
Investment earnings	28,619	34,134	11,804	4,007	4,611	7,998
Miscellaneous	1,361	2,431	139,030	22,620	90	314
<b>Total revenues</b>	<u>609,529</u>	<u>203,726</u>	<u>393,633</u>	<u>188,738</u>	<u>40,407</u>	<u>64,825</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	443,011	-	-	-
Public works	658,335	358,139	-	-	-	-
Culture and recreation	-	-	-	322,398	296,348	280,213
<b>Total expenditures</b>	<u>658,335</u>	<u>358,139</u>	<u>443,011</u>	<u>322,398</u>	<u>296,348</u>	<u>280,213</u>
Revenues over (under) expenditures	<u>(48,806)</u>	<u>(154,413)</u>	<u>(49,378)</u>	<u>(133,660)</u>	<u>(255,941)</u>	<u>(215,388)</u>
Other financing sources (uses)						
Transfers in	-	212,500	-	100,000	151,000	160,000
Transfers out	(156,700)	(36,700)	-	(34,600)	(14,100)	(15,800)
<b>Total other financing sources (uses)</b>	<u>(156,700)</u>	<u>175,800</u>	<u>-</u>	<u>65,400</u>	<u>136,900</u>	<u>144,200</u>
Net changes in fund balances	<u>(205,506)</u>	<u>21,387</u>	<u>(49,378)</u>	<u>(68,260)</u>	<u>(119,041)</u>	<u>(71,188)</u>
<b>Fund balances, beginning of year</b>	<u>781,107</u>	<u>532,926</u>	<u>95,525</u>	<u>82,775</u>	<u>136,078</u>	<u>96,357</u>
<b>Fund balances, end of year</b>	<u>\$ 575,601</u>	<u>\$ 554,313</u>	<u>\$ 46,147</u>	<u>\$ 14,515</u>	<u>\$ 17,037</u>	<u>\$ 25,169</u>

					Capital Projects		Permanent	
<u>Jennings</u>	<u>Miller and Ahlgren</u>	<u>Riverwalk</u>	<u>River Safety</u>	<u>Band Shell</u>	<u>City Hall Project</u>	<u>Library Improvement</u>	<u>Playscape</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,799
-	-	-	-	-	-	-	-	759,201
-	-	-	-	-	-	-	-	96,232
-	-	-	-	-	-	-	-	142,470
-	-	-	-	-	-	-	-	8,137
253	292	-	-	-	3,436	3,915	1,066	100,135
-	-	11,550	35,495	-	-	-	300	213,191
<u>253</u>	<u>292</u>	<u>11,550</u>	<u>35,495</u>	<u>-</u>	<u>3,436</u>	<u>3,915</u>	<u>1,366</u>	<u>1,557,165</u>
-	-	-	-	-	939	-	-	939
-	-	-	10,551	-	-	-	-	453,562
-	-	-	-	-	-	-	-	1,016,474
-	-	12,177	-	9,999	-	-	-	921,135
-	-	12,177	10,551	9,999	939	-	-	2,392,110
<u>253</u>	<u>292</u>	<u>(627)</u>	<u>24,944</u>	<u>(9,999)</u>	<u>2,497</u>	<u>3,915</u>	<u>1,366</u>	<u>(834,945)</u>
-	-	-	-	10,000	5,000	10,000	-	648,500
-	-	-	-	-	-	-	-	(257,900)
-	-	-	-	10,000	5,000	10,000	-	390,600
253	292	(627)	24,944	1	7,497	13,915	1,366	(444,345)
<u>4,240</u>	<u>4,914</u>	<u>3,976</u>	<u>-</u>	<u>-</u>	<u>55,196</u>	<u>59,394</u>	<u>17,727</u>	<u>1,870,215</u>
\$ 4,493	\$ 5,206	\$ 3,349	\$ 24,944	\$ 1	\$ 62,693	\$ 73,309	\$ 19,093	\$ 1,425,870

# CITY OF BIG RAPIDS

## MAJOR STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 539,500	\$ 589,500	\$ 579,549	\$ (9,951)
Investment earnings	20,000	24,700	28,619	3,919
Miscellaneous	<u>100</u>	<u>4,600</u>	<u>1,361</u>	<u>(3,239)</u>
<b>Total revenues</b>	559,600	618,800	609,529	(9,271)
<b>Expenditures</b>				
Current				
Public works	<u>657,500</u>	<u>1,017,500</u>	<u>658,335</u>	<u>359,165</u>
Revenues over (under) expenditures	(97,900)	(398,700)	(48,806)	349,894
Other financing sources				
Transfers out	<u>(156,700)</u>	<u>(156,700)</u>	<u>(156,700)</u>	<u>-</u>
Net changes in fund balance	(97,900)	(555,400)	(205,506)	349,894
<b>Fund balance, beginning of year</b>	<u>781,107</u>	<u>781,107</u>	<u>781,107</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 683,207</u>	<u>\$ 225,707</u>	<u>\$ 575,601</u>	<u>\$ 349,894</u>



# CITY OF BIG RAPIDS

## LOCAL STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 160,000	\$ 160,000	\$ 159,024	\$ (976)
Special assessment	-	30,000	8,137	(21,863)
Investment earnings	20,500	51,500	34,134	(17,366)
Miscellaneous	-	-	2,431	2,431
<b>Total revenues</b>	180,500	241,500	203,726	(37,774)
<b>Expenditures</b>				
Current				
Public works	631,700	681,700	358,139	323,561
Revenues over (under) expenditures	(451,200)	(440,200)	(154,413)	285,787
Other financing source (uses)				
Transfers in	212,500	212,500	212,500	-
Transfers out	(36,700)	(36,700)	(36,700)	-
Total other financing sources (uses)	175,800	175,800	175,800	-
Net changes in fund balance	(275,400)	(264,400)	21,387	285,787
Fund balance, beginning of year	532,926	532,926	532,926	-
Fund balance, end of year	\$ 257,526	\$ 268,526	\$ 554,313	\$ 285,787

# CITY OF BIG RAPIDS

## DRUG LAW ENFORCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ 238,200	\$ 237,799	\$ (401)
State	-	62,600	5,000	(57,600)
Investment earnings	-	5,000	11,804	6,804
Miscellaneous	-	148,000	139,030	(8,970)
<b>Total revenues</b>	-	453,800	393,633	(60,167)
<b>Expenditures</b>				
Current				
Public safety	-	670,700	443,011	227,689
Net changes in fund balance	-	(216,900)	(49,378)	167,522
<b>Fund balance, beginning of year</b>	<u>95,525</u>	<u>95,525</u>	<u>95,525</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 95,525</u>	<u>\$ (121,375)</u>	<u>\$ 46,147</u>	<u>\$ 167,522</u>

# CITY OF BIG RAPIDS

## LIBRARY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 16,000	\$ 16,000	\$ 15,628	\$ (372)
Charges for services	10,300	10,300	4,013	(6,287)
Fines	127,400	142,400	142,470	70
Investment earnings	7,000	7,000	4,007	(2,993)
Miscellaneous	9,100	28,300	22,620	(5,680)
<b>Total Revenues</b>	169,800	204,000	188,738	(15,262)
<b>Expenditures</b>				
Current				
Culture and recreation	315,100	333,400	322,398	11,002
Revenues over (under) expenditures	(145,300)	(129,400)	(133,660)	(4,260)
Other financing source (uses)				
Transfers in	100,000	100,000	100,000	-
Transfers out	(34,600)	(34,600)	(34,600)	-
Total other financing sources (uses)	65,400	65,400	65,400	-
Net changes in fund balance	(79,900)	(64,000)	(68,260)	(4,260)
Fund balance, beginning of year	82,775	82,775	82,775	-
Fund balance, end of year	\$ 2,875	\$ 18,775	\$ 14,515	\$ (4,260)

# CITY OF BIG RAPIDS

## POOL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
Charges for services	\$ 28,500	\$ 36,000	\$ 35,706	\$ (294)
Investment earnings	6,000	6,000	4,611	(1,389)
Miscellaneous	-	-	90	90
<b>Total revenues</b>	34,500	42,000	40,407	(1,593)
<b>Expenditures</b>				
Current				
Culture and recreation	131,600	310,200	296,348	13,852
Revenues over (under) expenditures	(97,100)	(268,200)	(255,941)	12,259
Other financing source (uses)				
Transfers in	50,000	151,000	151,000	-
Transfers out	(14,100)	(14,100)	(14,100)	-
Total other financing sources (uses)	35,900	136,900	136,900	-
Net changes in fund balance	(61,200)	(131,300)	(119,041)	12,259
Fund balance, beginning of year	136,078	136,078	136,078	-
Fund balance, end of year	\$ 74,878	\$ 4,778	\$ 17,037	\$ 12,259

# CITY OF BIG RAPIDS

## ROBEN-HOOD AIRPORT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 214,000	\$ -	\$ -	\$ -
Charges for services	53,700	53,700	56,513	2,813
Investment earnings	12,500	12,500	7,998	(4,502)
Miscellaneous	<u>12,500</u>	<u>12,500</u>	<u>314</u>	<u>(12,186)</u>
<b>Total revenues</b>	292,700	78,700	64,825	(13,875)
<b>Expenditures</b>				
Current				
Culture and recreation	<u>408,900</u>	<u>288,100</u>	<u>280,213</u>	<u>7,887</u>
Revenues over (under) expenditures	<u>(116,200)</u>	<u>(209,400)</u>	<u>(215,388)</u>	<u>(5,988)</u>
Other financing source (uses)				
Transfers in	160,000	160,000	160,000	-
Transfers out	<u>(15,800)</u>	<u>(15,800)</u>	<u>(15,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>144,200</u>	<u>144,200</u>	<u>144,200</u>	<u>-</u>
Net changes in fund balance	28,000	(65,200)	(71,188)	(5,988)
Fund balance, beginning of year	<u>96,357</u>	<u>96,357</u>	<u>96,357</u>	<u>-</u>
Fund balance, end of year	<u>\$ 124,357</u>	<u>\$ 31,157</u>	<u>\$ 25,169</u>	<u>\$ (5,988)</u>

# CITY OF BIG RAPIDS

## JENNINGS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

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	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Investment earnings	\$ 200	\$ 9,200	\$ 253	\$ (8,947)
<b>Expenditures</b>				
Current				
Culture and recreation	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Net changes in fund balance	100	9,100	253	(8,847)
Fund balance, beginning of year	<u>4,240</u>	<u>4,240</u>	<u>4,240</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,340</u>	<u>\$ 13,340</u>	<u>\$ 4,493</u>	<u>\$ (8,847)</u>

# CITY OF BIG RAPIDS

## MILLER AND AHLGREN FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Investment earnings	\$ 200	\$ 300	\$ 292	\$ (8)
<b>Expenditures</b>				
Current				
General government	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Net changes in fund balance	100	200	292	92
<b>Fund balance, beginning of year</b>	<u>4,914</u>	<u>4,914</u>	<u>4,914</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 5,014</u>	<u>\$ 5,114</u>	<u>\$ 5,206</u>	<u>\$ 92</u>

# CITY OF BIG RAPIDS

## RIVERWALK FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Miscellaneous	\$ -	\$ 11,500	\$ 11,550	\$ 50
<b>Expenditures</b>				
Current				
Culture and recreation	-	13,000	12,177	823
Net changes in fund balance	-	(1,500)	(627)	873
Fund balance, beginning of year	3,976	3,976	3,976	-
Fund balance, end of year	<u>\$ 3,976</u>	<u>\$ 2,476</u>	<u>\$ 3,349</u>	<u>\$ 873</u>



**CITY OF BIG RAPIDS**

**RIVER SAFETY FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007**

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	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Miscellaneous	\$ -	\$ 46,000	\$ 35,495	\$ (10,505)
<b>Expenditures</b>				
Current				
Public safety	-	45,000	10,551	34,449
Net changes in fund balance	-	1,000	24,944	23,944
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 24,944</u>	<u>\$ 23,944</u>

# CITY OF BIG RAPIDS

## BAND SHELL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Expenditures</b>				
Current				
Culture and recreation	10,000	10,000	9,999	1
Other financing source (uses)				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net changes in fund balance	-	-	1	1
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**CITY OF BIG RAPIDS**  
**NONMAJOR ENTERPRISE FUNDS**  
**DESCRIPTION OF FUND**

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**ENTERPRISE FUNDS**

***Transportation fund*** - This fund is used to account for the activities of the Dial-a-Ride Transportation system which provides demand/response transportation services to the Big Rapids Area.

**CITY OF BIG RAPIDS**  
**NONMAJOR ENTERPRISE FUNDS**  
**STATEMENT OF NET ASSETS**

**JUNE 30, 2007**

<b>Assets</b>	<b><u>Transportation</u></b>
Current assets	
Cash and pooled investments	\$ 16,023
Accounts receivable	645
Due from other governments	<u>6,997</u>
Total current assets	<u>23,665</u>
Capital assets	
Vehicles and equipment	622,875
Less accumulated depreciation	<u>(516,308)</u>
Net capital assets	<u>106,567</u>
<b>Total assets</b>	<u>130,232</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	528
Accrued liabilities	11,840
Due to other governmental units	<u>39,149</u>
Total current liabilities	<u>51,517</u>
<b>Net assets</b>	
Investment in capital assets net of related debt	106,567
Unrestricted	<u>(27,852)</u>
<b>Total net assets</b>	<u>\$ 78,715</u>

# CITY OF BIG RAPIDS

## NONMAJOR ENTERPRISE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Transportation</u>
<b>Operating revenue</b>	
Charges for services	\$ 70,211
<b>Total operating revenue</b>	<u>70,211</u>
<b>Operating expense</b>	
Salaries and wages	218,547
Benefits	32,775
Materials and supplies	1,265
Gas and oil	33,308
Utilities	7,806
Repair and maintenance	51,231
Contracted services	1,600
Professional fees	3,000
Insurance	8,965
Depreciation	81,823
Miscellaneous	<u>1,425</u>
<b>Total operating expense</b>	<u>441,745</u>
Operating income (loss)	<u>(371,534)</u>
<b>Non-operating revenue (expense)</b>	
Federal grants	63,884
State grants	148,470
Investment earnings	<u>971</u>
<b>Total non-operating revenue (expense)</b>	<u>213,325</u>
Income (loss) before transfers	<u>(158,209)</u>
<b>Transfers</b>	
Transfers in	125,000
Transfers out	<u>(35,200)</u>
<b>Total transfers</b>	<u>89,800</u>
Changes in net assets	(68,409)
<b>Net assets, beginning of year</b>	<u>147,124</u>
<b>Net assets, end of year</b>	<u>\$ 78,715</u>

# CITY OF BIG RAPIDS

## NONMAJOR ENTERPRISE FUNDS STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Transportation</u>
<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 70,856
Payments to employees	(250,387)
Payments to suppliers	(105,063)
	<u>(284,594)</u>
<b>Net cash provided by (used in) operating activities</b>	
<b>Cash flows from non-capital financing activities</b>	
Operating grants	193,711
Transfers in	125,000
Transfers out	(35,200)
	<u>283,511</u>
<b>Net cash provided by (used in) non-capital financing activities</b>	
<b>Cash flows from investing activities</b>	
Interest income	971
	<u>971</u>
<b>Net cash provided by (used in) investing activities</b>	
Net increase (decrease) in cash and pooled investments	(112)
<b>Cash and pooled investments, beginning of year</b>	<u>16,135</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 16,023</u>
<b>Cash flows from operating activities</b>	
Operating income (loss)	\$ (371,534)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	81,823
Change in operating assets and liabilities which provided (used) cash	
Accounts receivable	(645)
Inventory	4,751
Accounts payable	76
Accrued liabilities	935
	<u>935</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (284,594)</u>

**CITY OF BIG RAPIDS**  
**INTERNAL SERVICE FUNDS**  
**DESCRIPTION OF FUNDS**

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**INTERNAL SERVICE FUNDS**

**Motor Pool Fund** - This fund is used to account for the purchase, maintenance and operation of all motor vehicles (except those of the Fire Department, Transportation Fund, Water Fund, and Wastewater Fund) and other equipment for City operations. The equipment is rented to the other operating funds at hourly rental rates to cover costs of the fund.

**D.P.W Service Fund** - This fund is used to facilitate the accounting for supervision, labor and fringe benefits of the Public Works Department. Revenues of this fund represent allocations of these costs to the various funds based on the actual salary cost of Public Works Department employees in each fund.

**Self-Insurance Fund** - This fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded health insurance program, third party administrative expenses and actual health claims paid.

# CITY OF BIG RAPIDS

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2007

<b>Assets</b>	<b>Motor Pool</b>	<b>DPW Service</b>	<b>Self Insurance</b>	<b>Total</b>
Current assets				
Cash and pooled investments	\$ 291,349	\$ 20,510	\$ 317,626	\$ 629,485
Accounts receivable	-	-	385	385
Prepaid and other assets	-	-	128,310	128,310
Inventory	73,019	-	-	73,019
<b>Total current assets</b>	<u>364,368</u>	<u>20,510</u>	<u>446,321</u>	<u>831,199</u>
Capital assets				
Buildings and equipment	1,631,039	-	-	1,631,039
Vehicles	1,362,325	-	-	1,362,325
Less accumulated depreciation	(1,918,820)	-	-	(1,918,820)
<b>Net capital assets</b>	<u>1,074,544</u>	<u>-</u>	<u>-</u>	<u>1,074,544</u>
<b>Total assets</b>	<u>1,438,912</u>	<u>20,510</u>	<u>446,321</u>	<u>1,905,743</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	1,860	-	6,930	8,790
Accrued liabilities	12,487	58,141	-	70,628
<b>Total liabilities</b>	<u>14,347</u>	<u>58,141</u>	<u>6,930</u>	<u>79,418</u>
<b>Net assets (deficit)</b>				
Investment in capital assets net of related debt	1,074,544	-	-	1,074,544
Unrestricted	350,021	(37,631)	439,391	751,781
<b>Total net assets (deficit)</b>	<u>\$ 1,424,565</u>	<u>\$ (37,631)</u>	<u>\$ 439,391</u>	<u>\$ 1,826,325</u>



# CITY OF BIG RAPIDS

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Motor Pool</u>	<u>DPW Service</u>	<u>Self Insurance</u>	<u>Total</u>
<b>Operating revenue</b>				
Charges for services	\$ 691,349	\$ 741,113	\$ 954,890	\$ 2,387,352
Other	<u>4,231</u>	<u>4,813</u>	<u>-</u>	<u>9,044</u>
<b>Total operating revenue</b>	<u>695,580</u>	<u>745,926</u>	<u>954,890</u>	<u>2,396,396</u>
<b>Operating expense</b>				
Salaries and wages	136,159	478,867	-	615,026
Benefits	54,643	248,654	-	303,297
Materials and supplies	15,917	-	-	15,917
Gas and oil	85,957	-	-	85,957
Utilities	23,611	-	-	23,611
Repair and maintenance	80,039	-	-	80,039
Equipment rentals	2,101	-	-	2,101
Contracted services	573	-	29,659	30,232
Professional fees	1,266	-	1,500	2,766
Insurance	57,896	-	913,120	971,016
Depreciation	198,689	-	-	198,689
Miscellaneous	<u>985</u>	<u>-</u>	<u>-</u>	<u>985</u>
<b>Total operating expense</b>	<u>657,836</u>	<u>727,521</u>	<u>944,279</u>	<u>2,329,636</u>
<b>Operating income (loss)</b>	<u>37,744</u>	<u>18,405</u>	<u>10,611</u>	<u>66,760</u>
<b>Non-operating revenue (expense)</b>				
Federal grants	33,000	-	-	33,000
Miscellaneous	31,885	-	-	31,885
Interest income	<u>14,545</u>	<u>-</u>	<u>19,458</u>	<u>34,003</u>
<b>Total non-operating revenue (expense)</b>	<u>79,430</u>	<u>-</u>	<u>19,458</u>	<u>98,888</u>
<b>Income (loss) before transfers</b>	<u>117,174</u>	<u>18,405</u>	<u>30,069</u>	<u>165,648</u>
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers out	<u>(62,300)</u>	<u>(10,000)</u>	<u>-</u>	<u>(72,300)</u>
<b>Total transfers</b>	<u>(62,300)</u>	<u>(10,000)</u>	<u>-</u>	<u>(72,300)</u>
<b>Changes in net assets</b>	<u>54,874</u>	<u>8,405</u>	<u>30,069</u>	<u>93,348</u>
<b>Net assets (deficit), beginning of year</b>	<u>1,369,691</u>	<u>(46,036)</u>	<u>409,322</u>	<u>1,732,977</u>
<b>Net assets (deficit), end of year</b>	<u>\$ 1,424,565</u>	<u>\$ (37,631)</u>	<u>\$ 439,391</u>	<u>\$ 1,826,325</u>

**CITY OF BIG RAPIDS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Motor Pool</u>	<u>DPW Service</u>	<u>Self Insurance</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Receipts from internal services provided	\$ 695,580	\$ 747,428	\$ 956,358	\$ 2,399,366
Payments to employees	(189,039)	(722,648)	-	(911,687)
Payments to suppliers	(267,775)	-	(1,092,003)	(1,359,778)
<b>Net cash provided by (used in) operating activities</b>	<u>238,766</u>	<u>24,780</u>	<u>(135,645)</u>	<u>127,901</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers out	(62,300)	(10,000)	-	(72,300)
<b>Cash flows from capital and related financing activities</b>				
Capital grants	33,000	-	-	33,000
Gain on sale of capital assets	31,885	-	-	31,885
Acquisitions of capital assets	(342,721)	-	-	(342,721)
<b>Cash flows from investing activities</b>				
Interest income	14,545	-	19,458	34,003
<b>Net increase (decrease) in cash and pooled investments</b>	(86,825)	14,780	(116,187)	(188,232)
<b>Cash and pooled investments, beginning of year</b>	<u>378,174</u>	<u>5,730</u>	<u>433,813</u>	<u>817,717</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 291,349</u>	<u>\$ 20,510</u>	<u>\$ 317,626</u>	<u>\$ 629,485</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ 37,744	\$ 18,405	\$ 10,611	\$ 66,760
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	198,689	-	-	198,689
Change in operating assets and liabilities which provided (used) cash				
Accounts receivable	-	1,502	1,468	2,970
Prepaid and other assets	-	-	(128,310)	(128,310)
Accounts payable	570	-	6,930	7,500
Accrued liabilities	1,763	4,873	(26,344)	(19,708)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 238,766</u>	<u>\$ 24,780</u>	<u>\$ (135,645)</u>	<u>\$ 127,901</u>

# CITY OF BIG RAPIDS

## FIDUCIARY FUNDS

### DESCRIPTION OF FUNDS

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#### AGENCY FUNDS

***Current Tax Fund*** - This fund is used to record the receipt and transfers of property taxes collected by the City on behalf of the state county, school districts and other governments.

***Payroll Fund*** - This fund is used to account for receipt and disbursement of payroll withholdings.

***Housing Commission Payroll Fund*** - This fund is used to account for receipt and disbursement associated with performing the payroll function for the Big Rapids Housing Commission.

**CITY OF BIG RAPIDS**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2007**

	<u>Current tax Fund</u>	<u>Payroll Fund</u>	<u>Housing Commission Payroll Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled investments	\$ 3,882	\$ 91,446	\$ -	\$ 95,328
Accounts receivable	<u>76,111</u>	<u>-</u>	<u>-</u>	<u>76,111</u>
<b>Total assets</b>	<u>\$ 79,993</u>	<u>\$ 91,446</u>	<u>\$ -</u>	<u>\$ 171,439</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 51,446	\$ -	\$ 51,446
Due to other governmental units	<u>79,993</u>	<u>-</u>	<u>-</u>	<u>79,993</u>
Advances from other funds	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<b>Total liabilities</b>	<u>\$ 79,993</u>	<u>\$ 91,446</u>	<u>\$ -</u>	<u>\$ 171,439</u>

# CITY OF BIG RAPIDS

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2007

### Current tax collection fund

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Assets</b>				
Cash and pooled investments	\$ 31,218	\$ 20,191,089	\$ 20,218,425	\$ 3,882
Accounts receivable	<u>93,989</u>	<u>6,869,310</u>	<u>\$ 6,887,188</u>	<u>76,111</u>
<b>Total assets</b>	<u>\$ 125,207</u>	<u>\$ 27,060,399</u>	<u>\$ 27,105,613</u>	<u>\$ 79,993</u>
 <b>Liabilities</b>				
Due to other governments	<u>\$ 125,207</u>	<u>\$ 13,361,546</u>	<u>\$ 13,406,760</u>	<u>\$ 79,993</u>
<b>Total liabilities</b>	<u>\$ 125,207</u>	<u>\$ 13,361,546</u>	<u>\$ 13,406,760</u>	<u>\$ 79,993</u>

### Payroll fund

<b>Assets</b>				
Cash and pooled investments	\$ 86,121	\$ 16,826,166	\$ 16,820,841	\$ 91,446
<b>Total assets</b>	<u>\$ 86,121</u>	<u>\$ 16,826,166</u>	<u>\$ 16,820,841</u>	<u>\$ 91,446</u>
 <b>Liabilities</b>				
Accounts payable	\$ 46,121	\$ 5,800,516	\$ 5,795,191	\$ 51,446
Advance from other funds	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
<b>Total liabilities</b>	<u>\$ 86,121</u>	<u>\$ 5,800,516</u>	<u>\$ 5,795,191</u>	<u>\$ 91,446</u>

(Continued)

**CITY OF BIG RAPIDS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Housing commission payroll fund**

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 689,022	\$ 689,022	\$ -
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 689,022</u>	<u>\$ 689,022</u>	<u>\$ -</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 689,022	\$ 689,022	\$ -
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 689,022</u>	<u>\$ 689,022</u>	<u>\$ -</u>

**Total agency funds**

<b>Assets</b>				
Cash and pooled investments	\$ 117,339	\$ 37,706,277	\$ 37,728,288	\$ 95,328
Accounts receivable	<u>93,989</u>	<u>6,869,310</u>	<u>6,887,188</u>	<u>76,111</u>
<b>Total assets</b>	<u>\$ 211,328</u>	<u>\$ 44,575,587</u>	<u>\$ 44,615,476</u>	<u>\$ 171,439</u>
<b>Liabilities</b>				
Accounts payable	\$ 171,328	\$ 19,851,084	\$ 19,890,973	\$ 131,439
Advance from other funds	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
<b>Total liabilities</b>	<u>\$ 211,328</u>	<u>\$ 19,851,084</u>	<u>\$ 19,890,973</u>	<u>\$ 171,439</u>

(Concluded)

# CITY OF BIG RAPIDS

## COMPONENT UNIT

### DESCRIPTION OF COMPONENT UNITS

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#### COMPONENT UNIT

***Downtown Development Authority*** - The DDA is used to account for activities designed to correct and prevent deterioration in the downtown area and promote economic growth within downtown.

# CITY OF BIG RAPIDS

## DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET ASSETS

JUNE 30, 2007

	Governmental <u>Fund Type</u> General <u>Fund</u>	<u>Adjustments</u>	Statement of <u>Net Assets</u>
<b>Assets</b>			
Cash and pooled investments	\$ -	-	\$ -
Loans receivable	98,992	-	98,992
Due from other governments	<u>45,095</u>	<u>-</u>	<u>45,095</u>
<b>Total assets</b>	<u>\$ 144,087</u>	<u>-</u>	<u>144,087</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 6,055	-	6,055
Deferred revenue	<u>98,992</u>	<u>(98,992)</u>	<u>-</u>
<b>Total liabilities</b>	105,047	(98,992)	<u>6,055</u>
<b>Fund balances</b>			
Unreserved			
Undesignated	<u>39,040</u>		
<b>Total liabilities and fund balances</b>	<u>\$ 144,087</u>		
<b>Net assets</b>			
Unrestricted			<u>\$ 138,032</u>



# CITY OF BIG RAPIDS

## DOWNTOWN DEVELOPMENT AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

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	<u>Governmental</u> <u>Fund Type</u> <u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement</u> <u>of</u> <u>Net Assets</u>
<b>Revenues</b>			
Taxes	\$ 21,618	\$ -	\$ 21,618
Intergovernmental revenues			
Federal	143,552	-	143,552
Investment earnings	5,954	-	5,954
Miscellaneous	<u>23,750</u>	<u>(23,106)</u>	<u>644</u>
	194,874	(23,106)	171,768
<b>Expenditures</b>			
Current			
Economic development	<u>181,481</u>	<u>-</u>	<u>181,481</u>
Net changes in fund balances	13,393	(13,393)	
Change in net assets		9,713	(9,713)
<b>Fund balances/net assets, beginning of year</b>	<u>25,647</u>		<u>147,745</u>
<b>Fund balances/net assets, end of year</b>	<u>\$ 39,040</u>		<u>\$ 138,032</u>

# CITY OF BIG RAPIDS

## STATISTICAL SECTION

This part of the City of Big Rapids' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the city's overall financial health.

### Contents

### Table

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

A-1 to A-4

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

B-1 to B-4

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

C-1 to C-5

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

D-1 to D-2

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

E-1 to E-3

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

# CITY OF BIG RAPIDS

Table A-1

## NET ASSETS BY COMPONENT LAST FIVE FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 9,516,016	\$ 8,560,543	\$ 7,927,388	\$ 7,125,772	\$ 6,268,021
Restricted	1,369,148	1,602,998	1,689,020	1,671,576	1,544,588
Unrestricted	<u>2,480,584</u>	<u>2,128,803</u>	<u>2,127,986</u>	<u>2,871,670</u>	<u>2,825,777</u>
Total governmental activities net assets	<u>\$ 13,365,748</u>	<u>\$ 12,292,344</u>	<u>\$ 11,744,394</u>	<u>\$ 11,669,018</u>	<u>\$ 10,638,386</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 12,473,933	\$ 12,077,885	\$ 11,220,981	\$ 10,660,003	\$ 10,732,950
Restricted	164,015	123,062	134,274	104,507	69,377
Unrestricted	<u>3,084,424</u>	<u>2,645,415</u>	<u>2,564,748</u>	<u>2,395,971</u>	<u>2,309,234</u>
Total business-type activities net assets	<u>\$ 15,722,372</u>	<u>\$ 14,846,362</u>	<u>\$ 13,920,003</u>	<u>\$ 13,160,481</u>	<u>\$ 13,111,561</u>
Primary government					
Invested in capital assets, net of related debt	\$ 21,989,949	\$ 20,638,428	\$ 19,148,369	\$ 17,785,775	\$ 17,000,971
Restricted	1,533,163	1,726,060	1,823,294	1,776,083	1,613,965
Unrestricted	<u>5,565,008</u>	<u>4,774,218</u>	<u>4,692,734</u>	<u>5,267,641</u>	<u>5,135,011</u>
Total primary government net assets	<u>\$ 29,088,120</u>	<u>\$ 27,138,706</u>	<u>\$ 25,664,397</u>	<u>\$ 24,829,499</u>	<u>\$ 23,749,947</u>

# CITY OF BIG RAPIDS

Table A-2

## CHANGES IN NET ASSETS LAST FOUR FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2007	2006	2005	2004	2003
<b>Expenses</b>					
Governmental activities					
General government	\$ 2,067,674	\$ 2,141,931	\$ 2,058,960	\$ 1,740,015	\$ 1,711,154
Public safety	3,343,364	3,346,255	2,727,509	2,604,570	2,410,036
Public works	1,468,931	1,435,805	1,534,230	1,595,742	1,720,489
Culture and recreation	1,123,690	1,363,866	894,197	900,196	964,346
Interest on long-term debt	178,477	184,001	190,740	281,474	268,554
<b>Total governmental activities</b>	<b>8,182,136</b>	<b>8,471,858</b>	<b>7,405,636</b>	<b>7,121,997</b>	<b>7,074,579</b>
Business-type activities					
Transportation	441,745	416,717	405,017	347,035	419,266
Wastewater utility	1,589,367	1,700,562	1,308,753	1,272,185	1,316,308
Water utility	1,676,767	1,725,842	1,515,852	1,639,504	1,623,197
Sanitation	712,632	643,884	597,396	745,658	706,197
<b>Total business-type activities</b>	<b>4,420,511</b>	<b>4,487,005</b>	<b>3,827,018</b>	<b>4,004,382</b>	<b>4,064,968</b>
<b>Total primary government expenses</b>	<b>12,602,647</b>	<b>12,958,863</b>	<b>11,232,654</b>	<b>11,126,379</b>	<b>11,139,547</b>
<b>Program revenues</b>					
Governmental activities					
Charges for services	876,974	1,009,067	838,202	834,624	762,228
Operating grants and contributions	1,424,240	1,696,417	952,425	1,031,421	946,771
Capital grants and contributions	514,493	336,402	532,611	340,778	552,636
<b>Total governmental activities program revenues</b>	<b>2,815,707</b>	<b>3,041,886</b>	<b>2,323,238</b>	<b>2,206,823</b>	<b>2,261,635</b>
Business-type activities					
Charges for services					
Transportation	70,211	63,462	91,211	60,736	65,627
Wastewater utility	2,010,741	1,981,526	1,712,057	1,605,625	1,528,510
Water utility	1,682,794	1,936,558	1,817,214	1,742,675	1,704,327
Sanitation	789,271	711,901	669,685	770,655	736,534
Operating grants and contributions	212,354	200,722	186,007	160,888	192,699
Capital grants and contributions	657,371	765,207	273,900	-	4,162
<b>Total business-type activities program revenues</b>	<b>5,422,742</b>	<b>5,659,376</b>	<b>4,750,074</b>	<b>4,340,579</b>	<b>4,231,859</b>
<b>Total primary government program revenues</b>	<b>8,238,449</b>	<b>8,701,262</b>	<b>7,073,312</b>	<b>6,547,402</b>	<b>6,493,494</b>

(continued)

# CITY OF BIG RAPIDS

## CHANGES IN NET ASSETS LAST FIVE FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2007	2006	2005	2004	2003
<b>Net (expense) revenue</b>					
Governmental activities	\$ (5,366,429)	\$ (5,429,972)	\$ (5,082,398)	\$ (4,915,174)	\$ (4,812,944)
Business-type activities	1,002,231	1,172,371	923,056	336,197	166,891
<b>Total primary government net (expense) revenue</b>	<b>(4,364,198)</b>	<b>(4,257,601)</b>	<b>(4,159,342)</b>	<b>(4,578,977)</b>	<b>(4,646,053)</b>
<b>General revenues and other changes in net assets</b>					
Governmental activities					
Property taxes	2,753,776	2,372,491	2,283,012	2,203,021	2,132,010
Income taxes	1,744,354	1,728,410	942,810	1,814,042	1,835,702
State shared revenues	1,437,437	1,462,006	1,473,040	1,483,074	1,910,289
Investment earnings	180,809	105,710	206,110	27,227	144,065
Other general revenues	29,757	9,731	-	-	-
Transfers	293,700	294,000	252,802	285,400	264,200
<b>Total governmental activities</b>	<b>6,439,833</b>	<b>5,972,348</b>	<b>5,157,774</b>	<b>5,812,764</b>	<b>6,286,266</b>
Business-type activities					
Investment earnings	147,199	47,988	89,268	(1,877)	54,482
Other general revenues	20,280	-	-	-	1,558
Transfers	(293,700)	(294,000)	(252,802)	(285,400)	(264,200)
<b>Total business-type activities</b>	<b>(126,221)</b>	<b>(246,012)</b>	<b>(163,534)</b>	<b>(287,277)</b>	<b>(208,160)</b>
<b>Total primary government</b>	<b>6,313,612</b>	<b>5,726,336</b>	<b>4,994,240</b>	<b>5,525,487</b>	<b>6,078,106</b>
<b>Change in net assets</b>					
Governmental activities	1,073,404	542,376	75,376	897,590	1,473,322
Business-type activities	876,010	926,359	759,522	48,920	(41,269)
<b>Total primary government</b>	<b>\$ 1,949,414</b>	<b>\$ 1,468,735</b>	<b>\$ 834,898</b>	<b>\$ 946,510</b>	<b>\$ 1,432,053</b>

(concluded)

**CITY OF BIG RAPIDS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General fund										
Reserved	\$ 133,363	\$ 191,297	\$ 226,424	\$ 56,497	\$ 113,828	\$ 62,447	\$ 62,447	\$ 63,122	\$ 106,420	\$ 37,777
Unreserved	1,861,525	1,254,530	653,049	1,873,762	2,184,390	1,698,488	2,005,931	1,947,017	1,226,312	1,433,128
Total general fund	\$ 1,994,888	\$ 1,445,827	\$ 879,473	\$ 1,930,259	\$ 2,298,216	\$ 1,760,935	\$ 2,068,378	\$ 2,010,139	\$ 1,332,732	\$ 1,470,905
All other governmental funds										
Reserved	\$ 44,048	\$ 14,705	\$ 64,653	\$ 118,849	\$ 64,673	\$ 64,076	\$ 65,703	\$ 64,050	\$ 60,763	\$ 57,326
Unreserved reported in										
Special revenue funds	1,243,727	1,723,193	1,891,742	2,046,597	2,018,348	1,956,642	2,401,395	1,819,876	1,405,072	820,931
Capital project funds	136,002	114,590	338,253	24,808	261,453	2,681,399	-	-	-	-
Permanent funds	2,093	17,727	17,570	18,672	18,609	-	-	-	-	-
Total all other governmental funds	\$ 1,425,870	\$ 1,870,215	\$ 2,312,218	\$ 2,208,926	\$ 2,363,083	\$ 4,702,117	\$ 2,467,098	\$ 1,883,926	\$ 1,465,835	\$ 878,257

Note:  
 Permanent Funds were established at the time the City implemented GASB 34

**CITY OF BIG RAPIDS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Revenues</b>										
Taxes	\$ 4,498,130	\$ 4,242,687	\$ 3,342,951	\$ 4,137,982	\$ 4,077,944	\$ 3,763,944	\$ 3,631,157	\$ 3,345,126	\$ 3,140,353	\$ 3,031,325
Intergovernmental revenues										
Federal	377,954	261,033	81,824	185,385	375,271	344,962	116,728	39,307	67,162	22,189
State	2,426,170	2,864,056	2,393,322	2,436,508	2,829,825	2,826,212	3,068,533	3,535,017	2,567,406	2,633,390
Licenses and permits	41,821	39,206	21,658	24,066	48,168	41,320	36,127	38,406	36,917	35,411
Charges for services	643,384	351,355	267,688	271,915	220,697	198,118	194,371	177,105	157,436	148,205
Fines and forfeits	227,138	248,850	261,251	237,934	251,748	269,426	332,307	272,418	249,592	222,377
Special assessment	20,804	11,791	14,907	16,942	15,215	9,976	38,238	74,606	47,063	43,667
Investment earnings	239,591	82,947	188,785	33,957	134,013	256,882	130,151	205,639	133,240	81,562
Rents and royalties	-	3,880	4,420	3,940	3,880	2,980	5,780	4,620	9,799	10,931
Miscellaneous	288,859	560,347	645,238	378,556	320,422	240,794	399,445	232,552	116,545	154,384
Total revenues	8,763,851	8,666,152	7,222,044	7,727,184	8,277,183	7,954,614	7,952,837	7,924,796	6,525,613	6,383,441
<b>Expenditures</b>										
Current										
General government	2,134,642	2,034,857	2,063,175	1,912,508	1,730,857	1,775,549	1,923,003	1,760,922	1,645,784	1,707,458
Public safety	3,302,533	3,174,193	2,709,594	2,709,914	2,484,996	2,190,678	2,128,910	1,998,348	2,195,431	1,944,339
Public works	2,046,634	2,252,106	1,645,508	2,198,381	2,529,677	2,275,409	1,297,529	1,855,135	1,544,015	1,741,214
Culture and recreation	1,225,388	1,134,637	1,416,056	909,346	888,606	1,249,677	1,677,994	1,173,894	897,134	666,105
Debt service										
Principal	135,000	120,000	329,977	328,661	291,986	255,413	238,865	237,421	210,995	185,000
Interest	180,938	186,188	197,830	216,381	271,152	52,580	64,525	62,479	84,310	90,150
Capital Outlay	-	-	-	303,207	2,631,467	2,757,372	-	-	-	-
Total expenditures	9,025,135	8,901,981	8,362,140	8,578,398	10,828,741	10,556,678	7,330,826	7,088,199	6,577,669	6,334,266
Revenues over (under) expenditures	(261,284)	(235,829)	(1,140,096)	(851,214)	(2,551,558)	(2,602,064)	622,011	836,597	(52,056)	49,175
<b>Other financing sources (uses)</b>										
Bond/Note proceeds	-	-	-	-	-	4,500,000	-	-	212,961	-
Transfers in	1,284,900	846,000	1,185,802	1,611,437	2,142,803	2,324,469	1,190,700	1,147,200	1,327,100	710,100
Transfers out	(918,900)	(494,000)	(1,029,200)	(1,282,337)	(1,823,203)	(2,294,829)	(1,171,300)	(889,634)	(1,038,600)	(461,600)
Sale of capital assets	-	8,180	36,000	-	-	-	-	-	-	-
Total other financing sources (uses)	366,000	360,180	192,602	329,100	319,600	4,529,640	19,400	257,566	501,461	248,500
Net changes in fund balances	\$ 104,716	\$ 124,351	\$ (947,494)	\$ (522,114)	\$ (2,231,958)	\$ 1,927,576	\$ 641,411	\$ 1,094,163	\$ 449,405	\$ 297,675
Debt service as a percentage of noncapital expenditures	3.5%	3.4%	6.3%	6.6%	6.9%	3.9%	4.1%	4.2%	4.5%	4.3%

# CITY OF BIG RAPIDS

## ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Table B-1

Fiscal Year Ended June 30	Real property				Personal Property	Total Assessed Value	Total Direct Tax Rate
	Residential Property	Agricultural Property	Commercial Property	Industrial Property			
1998	\$ 46,448,300	\$ 112,300	\$ 40,295,700	\$ 6,368,200	\$ 21,998,100	\$ 115,222,600	12.3523
1999	48,671,600	112,300	40,517,600	7,094,900	23,801,800	120,198,200	12.3523
2000	51,271,000	112,300	42,315,000	7,729,800	24,637,300	126,065,400	12.3523
2001	53,998,600	130,100	44,979,150	7,990,100	25,088,400	132,186,350	12.3523
2002	57,609,000	130,100	52,078,800	8,758,500	25,952,400	144,528,800	12.3523
2003	61,907,700	130,100	53,736,000	8,514,000	26,596,100	150,883,900	14.3152
2004	65,870,200	130,100	60,290,600	9,977,100	27,880,500	164,148,500	14.2330
2005	69,700,100	130,100	60,898,800	10,065,800	30,215,600	171,010,400	14.7262
2006	74,564,700	130,100	61,180,300	10,363,300	29,285,000	175,523,400	14.1940
2007	79,139,700	-	67,340,200	10,501,500	29,245,600	186,227,000	14.8981

Property values are reported at their assessed values which are approximately equal to one half of the actual values.  
Direct tax rate (millage) is per \$1,000 of taxable value which is generally equal to one-half of the assessed value.

Source: City of Big Rapids Assessor



**CITY OF BIG RAPIDS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(rate per \$1,000 of taxable value)*

Fiscal Year	City of Big Rapids				Mecosta County				Big Rapids Public Schools (1)				Mecosta				State	
	Operating	Debt	Total		Operating	Hospital	Commission on Adult	Medical Services	County	Non-Homestead	Debt	BRPS	Operating	Special Education	Vocational Education	MOISD Millage	Education Tax Millage	Total
Ended June 30	Millage	Millage	Millage		Millage	Millage	Admission		Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage
1998	11.1592	1.1931	12.3523		5.8685	-	0.5000	0.7500	7.1385	18.0000	7.0000	25.0000	0.2447	2.4465	1.5658	4.2570	6.0000	54.7478
1999	11.1170	1.2353	12.3523		6.0000	-	0.5000	0.5500	7.0500	18.0000	7.0000	25.0000	0.2500	2.4435	1.5640	4.2575	6.0000	54.6598
2000	11.2624	1.0899	12.3523		5.9602	-	0.4983	0.5600	7.0285	18.0000	7.0000	25.0000	0.2488	2.4319	1.5565	4.2372	6.0000	54.6180
2001	11.1616	1.1907	12.3523		5.9538	-	0.4961	0.5500	6.9959	18.0000	7.0000	25.0000	0.2473	2.4179	1.5476	4.2128	6.0000	54.5650
2002	11.1959	1.1584	12.3523		5.8978	-	0.4914	0.5500	6.9392	17.8524	7.0000	24.8524	0.2449	2.3945	1.5327	4.1721	6.0000	54.3160
2003	13.3314	0.9838	14.3152		5.8565	-	0.5000	0.5500	6.9065	18.0000	7.0000	25.0000	0.2434	2.3802	1.5236	4.1472	6.0000	56.3689
2004	13.4555	0.7775	14.2330		5.7909	0.5000	0.4944	0.5500	7.3353	18.0000	7.0000	25.0000	0.2411	2.3577	1.5092	4.1080	5.0000	56.6763
2005	13.7344	0.4859	14.2303		5.0000	0.9929	0.4888	0.5000	7.3817	18.0000	7.0000	25.0000	0.2500	2.3432	1.4999	4.0931	6.0000	56.7051
2006	14.1940	-	14.1940		5.9916	0.6098	0.4881	0.5000	7.5895	18.0000	7.0000	25.0000	0.2496	2.3399	1.4979	4.0874	6.0000	56.8709
2007	14.8981	-	14.8981		5.9490	0.5875	0.5000	0.5000	7.5365	18.0000	7.0000	25.0000	0.2485	2.3395	1.4977	4.0887	6.0000	57.5213

Source: City assessors office

## Notes:

(1) In 1994, property tax reform was implemented in the State resulting in a 18 mill levy on non-homestead properties and 6.0 mills on all properties.

(2) Taxes rates (millages) are per \$1,000 of taxable value which is approximately equal to one-half of the assessed value.

# CITY OF BIG RAPIDS

Table B-3

## PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2006			1997 (1)		
	Taxable Value	Rank	Percentage of Total City Taxable Value	Taxable Value	Rank	Percentage of Total City Taxable Value
Federal Screw Works	\$ 7,761,200	1	4.76%	\$ 5,955,700	1	5.31%
Haworth, Inc.	5,465,574	2	3.35%	-		0.00%
Agree Limited Partnership	5,325,425	3	3.27%	3,504,867	2	3.13%
Mark IV Automotive	4,287,800	4	2.63%	3,009,100	3	2.68%
Michigan Retail Partners	2,870,400	5	1.76%	1,946,384	6	1.74%
Michigan Consolidated Gas Co.	2,709,401	6	1.66%	2,526,561	4	2.25%
Campus Village Rapids, LLC	2,629,638	7	1.61%	1,511,201	8	1.35%
Big Rapids Building Company	2,522,900	8	1.55%	1,395,400	10	1.25%
Big Rapids Products	2,098,757	9	1.29%	1,442,260	9	2.25%
Consumers Power Company	2,243,967	10	1.38%	2,305,157	5	2.06%
Wolverine World Wide	-		0.00%	1,555,019	7	1.39%
Total	\$ 37,915,062		23.26%	\$ 25,151,649		23.41%

Source: City assessors office

Note:

(1) Information from 1998 is not available

# CITY OF BIG RAPIDS

Table B-4

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 1,509,864	\$ 1,439,761	95.4%	\$ 66,128	\$ 1,505,889	99.74%
1999	1,593,744	1,532,548	96.2%	58,482	1,591,030	99.83%
2000	1,659,883	1,569,973	94.6%	87,429	1,657,402	99.85%
2001	1,712,334	1,646,234	96.1%	60,276	1,706,510	99.66%
2002	1,785,785	1,726,354	96.7%	54,013	1,780,367	99.70%
2003	2,129,954	2,062,507	96.8%	55,306	2,117,813	99.43%
2004	2,197,960	2,138,178	97.3%	54,796	2,192,974	99.77%
2005	2,276,744	2,175,948	95.6%	94,966	2,270,914	99.74%
2006	2,365,249	2,265,175	95.8%	94,227	2,359,402	99.75%
2007	2,617,678	2,479,007	94.7%	135,259	2,614,266	99.87%

Source: City treasurer

Notes:

- (1) Real and personal property taxes combined.
- (2) Property taxes are levied July 1 and become delinquent March 1 of the following year.  
Delinquent real property taxes are purchased by Mecosta County and are included in the collections in subsequent years column. Delinquent personal property taxes are collected by the City of Big Rapids.

# CITY OF BIG RAPIDS

Table C-1

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Percentage of Property Value		Business-type Activities		Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Amount Available	Net General Obligation Bonds	Loans Payable	Value	Capita	Revenue Bonds	Total		
1998	\$ 1,415,000	\$ 54,826	\$ 1,360,174	-	2.38%	\$ 108.14	\$ -	\$ 1,360,174	0.00%	\$ 108
1999	1,220,000	58,263	1,161,737	-	2.02%	92.36	-	1,161,737	0.00%	92
2000	1,030,000	61,550	968,450	-	1.61%	77.00	-	968,450	0.00%	77
2001	825,000	63,203	761,797	-	1.21%	70.22	-	761,797	0.00%	70
2002	5,105,000	61,576	5,043,424	-	7.63%	464.87	-	5,043,424	0.00%	465
2003	4,850,000	64,673	4,785,327	-	6.62%	441.08	-	4,785,327	0.00%	441
2004	4,560,000	68,512	4,491,488	-	5.95%	414.00	-	4,491,488	0.00%	414
2005	4,250,000	-	4,250,000	-	5.18%	391.74	4,445,000	8,695,000	0.00%	801
2006	4,130,000	-	4,130,000	-	4.83%	380.68	4,160,000	8,290,000	0.00%	764
2007	3,995,000	-	3,995,000	-	4.55%	368.24	3,930,000	7,925,000	0.00%	730

Note:

(1) 1990 census figures (1995-2000), 2000 census figures (2001-Present) can be found at Table D-1.

(2) Includes only bonds serviced from property tax revenues

# CITY OF BIG RAPIDS

Table C-2

## ***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2007***

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable To City</b>	<b>Amount Applicable To City</b>
Overlapping Debt:			
Big Rapids Public Schools	\$ 24,989,841	41.13%	\$ 10,278,322
Mecosta County	12,390,000	14.48%	1,794,072
Mecosta Osceola Intermediate School District	-	9.25%	-
 Total Overlapping Debt			 12,072,394
 City of Big Rapids direct debt			 3,995,000
 Total Direct and Overlapping Debt			 <u>\$ 16,067,394</u>

*The portion of the taxable value for each governmental unit located within the City of Big Rapids over the taxable value of the governmental unit as a whole is utilized to calculate overlapping debt percentages.*

*Source: Michigan Advisory Council (MAC)*

**CITY OF BIG RAPIDS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total state equalized value (1)	\$ 175,523,340									
Debt limitation - 10 percent of SEV	\$ 17,552,340									
Debt applicable to limitation:										
Total bonded debt	7,925,000									
Less:										
Revenue bonds	3,930,000									
Total Debt Applicable to Limitation	3,995,000									
Legal Debt Margin	\$ 13,557,340									
Debt limit	\$ 17,552,340	\$ 17,552,340	\$ 17,101,040	\$ 16,414,850	\$ 15,088,390	\$ 14,452,800	\$ 13,218,635	\$ 12,606,540	\$ 12,019,820	\$ 11,522,260
Total net debt applicable to limit	3,995,000	4,130,000	4,250,000	4,431,465	4,578,965	5,139,048	892,834	1,149,700	1,359,054	5,005,174
Legal debt margin	\$ 13,557,340	\$ 13,422,340	\$ 12,851,040	\$ 11,983,385	\$ 10,509,425	\$ 9,313,752	\$ 12,325,801	\$ 11,456,840	\$ 10,660,766	\$ 6,517,086
Total net debt applicable to limit as a percentage of debt limit	22.8%	23.5%	24.9%	27.0%	30.3%	35.6%	6.8%	9.1%	11.3%	43.4%

(1) Source: City assessors office

# CITY OF BIG RAPIDS

Table C-4

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Sewer Revenue Bonds						Water Revenue Bonds					
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1998	\$ 1,255,362	\$ 973,965	\$ 281,397	\$ 130,000	\$ 128,888	1.09	\$ 1,537,195	\$ 1,296,633	\$ 240,562	\$ 100,000	\$ 66,183	1.45
1999	1,329,146	1,002,242	326,904	135,000	119,613	1.28	1,625,842	1,260,272	365,570	105,000	67,991	2.11
2000	1,413,839	1,348,691	65,148	135,000	110,163	0.27	1,959,777	1,561,927	397,850	105,000	63,126	2.37
2001	1,472,251	1,076,518	395,733	165,000	121,352	1.38	1,704,307	1,280,971	423,336	135,000	248,842	1.10
2002	1,536,602	1,118,754	417,848	170,000	87,737	1.62	1,699,239	1,237,797	461,442	140,000	204,217	1.34
2003	1,566,339	1,276,335	290,004	175,000	74,654	1.16	1,722,679	1,390,479	332,200	150,000	192,510	0.97
2004	1,607,495	1,388,537	218,958	180,000	66,042	0.89	1,739,421	1,268,087	471,334	150,000	189,023	1.39
2005	1,761,291	1,246,199	515,092	115,000	57,441	2.99	1,853,914	1,340,055	513,859	160,000	180,910	1.51
2006	2,015,221	1,454,905	560,316	120,000	51,403	3.27	1,944,949	1,260,600	684,349	165,000	172,408	2.03
2007	2,131,488	1,348,764	782,724	125,000	43,610	4.64	1,728,555	1,282,462	446,093	175,000	197,574	1.20

Note:  
Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expense.  
Service charges include interest income and operating expenses include transfers out for indirect costs.

**CITY OF BIG RAPIDS**  
**SCHEDULE OF INDEBTEDNESS**

Table C-5

**JUNE 30, 2007**

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Governmental activities</b>							
Big Rapids Township Cemetery Contribution	11/1/1992	\$ 315,000	n/a	11/1/2007	\$ 15,000	\$ -	\$ 15,000
				11/1/2008	15,000	-	15,000
				11/1/2009	15,000	-	15,000
				11/1/2010	15,000	-	15,000
				11/1/2011	15,000	-	15,000
					<u>75,000</u>	<u>-</u>	<u>75,000</u>
2001 Unlimited Tax General Obligation Bonds	11/1/2001	4,500,000	4.375%	8/1/2007	-	87,391	87,391
				2/1/2008	145,000	87,391	232,391
				8/1/2008	-	84,219	84,219
				2/1/2009	165,000	84,219	249,219
				8/1/2009	-	80,609	80,609
				2/1/2010	180,000	80,609	260,609
				8/1/2010	-	76,672	76,672
				2/1/2011	200,000	76,672	276,672
				8/1/2011	-	72,297	72,297
				2/1/2012	220,000	72,297	292,297
				8/1/2012	-	67,484	67,484
				2/1/2013	240,000	67,484	307,484
				8/1/2013	-	62,234	62,234
				2/1/2014	260,000	62,234	322,234
				8/1/2014	-	56,547	56,547
				2/1/2015	285,000	56,547	341,547
				8/1/2015	-	50,312	50,312
				2/1/2016	310,000	50,312	360,312
				8/1/2016	-	43,531	43,531
				2/1/2017	335,000	43,531	378,531
				8/1/2017	-	36,203	36,203
				2/1/2018	365,000	36,203	401,203
				8/1/2018	-	28,219	28,219
				2/1/2019	395,000	28,219	423,219
				8/1/2019	-	19,578	19,578
				2/1/2020	430,000	19,578	449,578
				8/1/2020	-	10,172	10,172
				2/1/2021	465,000	10,172	475,172
					<u>3,995,000</u>	<u>1,550,936</u>	<u>5,545,936</u>
Vested benefits					<u>293,904</u>	<u>-</u>	<u>293,904</u>
					<u>4,363,904</u>	<u>1,550,936</u>	<u>5,914,840</u>
<b>Total governmental activities</b>							

(continued)



**CITY OF BIG RAPIDS**  
**SCHEDULE OF INDEBTEDNESS (continued)**

**JUNE 30, 2007**

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Business-type activities</b>							
1993 Wastewater Treatment System Revenue Bonds	10/1/1993	\$2,000,000	4.0-7.0%	9/1/2007	\$ 135,000	\$ 21,071	\$ 156,071
				3/1/2008	-	17,613	17,613
				9/1/2008	140,000	17,613	157,613
				3/1/2009	-	13,938	13,938
				9/1/2009	150,000	13,938	163,938
				3/1/2010	-	10,000	10,000
				9/1/2010	160,000	10,000	170,000
				3/1/2011	-	6,800	6,800
				9/1/2011	165,000	6,800	171,800
				3/1/2012	-	3,500	3,500
				9/1/2012	175,000	3,500	178,500
					<u>925,000</u>	<u>124,773</u>	<u>1,049,773</u>
2006 Water Supply System Revenue Refunding Bonds	10/25/2006	2,635,000	4.0-4.25%	10/1/2007	85,000	52,962	137,962
				4/1/2008	-	51,263	51,263
				10/1/2008	90,000	51,262	141,262
				4/1/2009	-	49,463	49,463
				10/1/2009	90,000	49,462	139,462
				4/1/2010	-	47,663	47,663
				10/1/2010	225,000	47,662	272,662
				4/1/2011	-	43,163	43,163
				10/1/2011	240,000	43,162	283,162
				4/1/2012	-	38,363	38,363
				10/1/2012	250,000	38,362	288,362
				4/1/2013	-	33,363	33,363
				10/1/2013	260,000	33,362	293,362
				4/1/2014	-	28,163	28,163
				10/1/2014	275,000	28,162	303,162
				4/1/2015	-	22,663	22,663
				10/1/2015	300,000	22,662	322,662
				4/1/2016	-	16,663	16,663
				10/1/2016	200,000	16,662	216,662
				4/1/2017	-	12,663	12,663
				10/1/2017	200,000	12,662	212,662
				4/1/2018	-	8,663	8,663
				10/1/2018	210,000	8,662	218,662
				4/1/2019	-	4,463	4,463
				10/1/2019	210,000	4,462	214,462
					<u>2,635,000</u>	<u>766,062</u>	<u>3,401,062</u>
1999 Water Supply System Revenue Bonds (partially refunded with 2006 bonds)	12/1/1999	2,820,000	5.375%	10/1/2007	115,000	9,944	124,944
				4/1/2008	-	6,853	6,853
				10/1/2008	125,000	6,853	131,853
				4/1/2009	-	3,494	3,494
				10/1/2009	130,000	3,494	133,494
	<u>370,000</u>	<u>30,638</u>	<u>400,638</u>				
<b>Total business-type activities</b>					<u>3,930,000</u>	<u>921,473</u>	<u>4,851,473</u>
<b>Total long-term debt - primary government</b>					<u>8,293,904</u>	<u>2,472,409</u>	<u>10,766,313</u>
<b>Total reporting entity</b>					<u>\$ 8,293,904</u>	<u>\$ 2,472,409</u>	<u>\$ 10,766,313</u>

(concluded)

# CITY OF BIG RAPIDS

Table D-1

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
1998	12,578	\$ -	\$ -	6.3
1999	12,578	-	-	5.9
2000	12,578	-	-	5.3
2001	10,849	-	-	7.6
2002	10,849	-	-	8.8
2003	10,849	-	-	10.3
2004	10,849	-	-	9.2
2005	10,849	-	-	7.2
2006	10,849	-	-	7.8
2007	10,849	-	-	7.8

(1) per U.S. Census Bureau

(2) Personal Income information is not available

(3) per Michigan Department of Labor & Economic Growth (Unemployment rate is for Mecosta County)

# CITY OF BIG RAPIDS

Table D-2

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	2007			1998		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u> (1)	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u> (1)
Ferris State University	5,026	1	(1)	5,103	1	(1)
Wolverine World Wide	514	2		919	2	
Mecosta County General Hospital	480	3		420	5	
Midwest Publishing	411	4		-	-	
Mark IV Automotive	410	5		-	-	
Dan Dave Restaurant	360	6		-	-	
Labelle Management	323	7		-	-	
Big Rapids Public Schools	314	8		614	3	
Haworth Inc.	314	9		548	4	
Danille Restaurant	284	10		-	-	
Fitzsimmons Manufacturing	-	-		349	6	
City of Big Rapids	-	-		232	7	
Federal Screw Works	-	-		177	8	
Michigan Knife	-	-		135	9	
Big Rapid Products	-	-		76	10	

Source: City offices

(1) information is not available

# CITY OF BIG RAPIDS

Table E-1

## CITY EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Administration										
Full time	13	13	12	12	13	13	13	13	12	12
Part time	2	2	2	2	3	4	3	2	2	2
Finance										
Full time	6	7	7	7	7	7	7	7	7	7
Part time	4	4	4	4	4	4	4	3	3	3
Public works										
Full time	28	32	32	31	29	32	31	31	28	28
Part time	45	50	49	43	38	*	*	*	*	*
Library										
Full time	2	2	2	2	2	2	2	2	2	2
Part time	10	12	13	13	13	16	12	*	*	*
Public Safety										
Police										
Full time	17	17	17	17	17	17	17	17	15	14
Part time	11	16	15	16	15	15	*	*	*	*
Other public safety	3	3	3	3	3	3	3	3	3	3
Fire										
Full time	9	9	9	9	9	9	9	9	9	9
Part time	13	15	19	16	18	15	14	10	10	10
Dial-a-Ride										
Full time	1	1	1	1	2	2	2	2	2	2
Part time	11	12	14	12	10	12	10	8	8	7
Total	175	195	199	188	183	151	127	107	101	99

Source: City clerks office

\* information is not available

**CITY OF BIG RAPIDS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Police										
Arrests	1,813	1,943	1,778	1,761	1,776	1,961	1,937	1,956	1,829	1,899
Accident responses	488	552	610	664	666	749	829	789	843	908
Fire										
Fire calls	53	68	64	66	90	65	94	82	73	65
Rescue calls	57	90	63	34	37	61	102	57	57	28
MFR calls	484	546	478	552	480	439	355	399	443	404
Public service calls	69	73	53	70	58	71	63	47	75	65
Public works and streets										
Street reconstruction (in miles)	(1)	(1)	(1)	0.57	0.83	0.74	1.23	0.92	0.42	0.27
Culture and recreation										
Library books	65,681	65,168	69,478	71,475	68,934	66,900	66,674	(1)	(1)	(1)
Sewer system										
Number of service connections	2,518	2,505	2,502	2,505	2,507	2,946	2,501	2,489	(1)	(1)
Daily average treatment in millions of gallons	1,131	1,165	1,114	1,144	1,280	1,240	1,248	1,419	(1)	(1)
Water system										
Number of service connections	2,350	2,245	2,217	2,214	2,225	2,204	2,202	2,241	2,162	2,053
Daily average consumption in millions of gallons	1,224	1,246	1,217	1,147	1,334	(1)	(1)	(1)	(1)	(1)
Dial-a-Ride system										
Total transit miles	93,431	84,336	86,670	84,677	72,593	90,140	107,368	120,394	127,974	128,819
Passengers	56,576	55,790	56,335	56,633	54,226	59,006	72,468	96,859	106,734	109,841

Source: Various City departments

(1) information is not available

# CITY OF BIG RAPIDS

Table E-3

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	9	8	8	8	8	8	8	7	7
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency response vehicles	12	11	10	10	10	10	10	10	10	9
Public works and streets										
Buildings	25	24	21	19	18	18	18	17	17	16
Miles of streets	42.44	42.44	42.51	42.51	42.40	42.40	42.40	42.40	42.47	44.93
Number of street lights	449	449	449	482	482	481	481	480	477	477
Culture and recreation										
Park acreage	204	245	197	197	196	196	194	206	206	206
Sewer system										
Miles of sanitary sewers	33	33	33	33	33	33	33	33	33	33
Miles of storm sewers	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2
Maximum daily capacity in millions of gallons	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Water system										
Miles of water mains	58	58	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Fire hydrants	482	482	482	(1)	(1)	(1)	(1)	(1)	(1)	(1)
In millions of gallons:										
Above ground storage capacity (at grade)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Above ground storage capacity (elevated)	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Maximum daily capacity	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Dial-a-Ride system										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	9	9	9	9	9	9	9

Source: City finance office

(1) information is not available

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF LOCAL REVENUES (1)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

---

	<u>7/1/06 to</u> <u>9/30/2006</u>	<u>10/1/06 to</u> <u>6/30/2007</u>	<u>Total</u>
Demand response (farebox)			
Regular service	\$ 13,560	\$ 41,630	\$ 55,190
Contracted fares	990	14,031	15,021
Interest revenue	310	661	971
Transfer from general fund	<u>-</u>	<u>125,000</u>	<u>125,000</u>
<b>Total local revenues</b>	<u>\$ 14,860</u>	<u>\$ 181,322</u>	<u>\$ 196,182</u>

**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF LOCAL REVENUES (1A)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

---

	<u>10/1/05 to</u> <u>6/30/2006</u>	<u>7/1/06 to</u> <u>9/30/2006</u>	<u>Total</u>
<b>Local revenue</b>			
Demand response (farebox)			
Regular service	\$ 36,603	\$ 13,560	\$ 50,163
Contracted fares	7,276	990	8,266
Interest revenue	5,597	310	5,907
Other nonoperating revenue	249	-	249
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total local revenues</b>	<u>\$ 49,725</u>	<u>\$ 14,860</u>	<u>\$ 64,585</u>

# CITY OF BIG RAPIDS

## DIAL-A-RIDE TRANSIT FUND SCHEDULE OF EXPENDITURE OF STATE AND FEDERAL AWARDS (2)

FOR THE YEAR ENDED JUNE 30, 2007

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant No. Authorization Number	Program Award Amount	Current year expenditures			Prior Year's Expended	Award Amount Remaining
				Total	Federal	State		
U.S. Department of transportation								
Passed through Michigan Department of Transportation								
Operating assistance - section 5311 - prior year deferrals	20.509	Prior years	\$ 329	\$ 329	\$ 329	\$ -	\$ -	\$ -
Operating assistance - section 5311 - current year receipts	20.509	02-0019/Z7	-	17,337	17,337	-	-	-
Operating assistance - section 5311 - prior year accruals	20.509	02-0019/Z7	-	(5,218)	(5,218)	-	-	-
Total operating assistance - section 5311	20.509	02-0019/Z7	51,255	12,119	12,119	-	39,136	-
Operating assistance - section 5311 - current year receipts	20.509	07-0177/Z1	-	44,439	44,439	-	-	-
Operating assistance - section 5311 - current year accruals	20.509	07-0177/Z1	-	6,997	6,997	-	-	-
Total operating assistance - section 5311	20.509	07-0177/Z1	61,200	51,436	51,436	-	-	9,764
Total passed through Michigan Department of Transportation	20.509		112,784	63,884	63,884	-	39,136	9,764
Michigan Department of Transportation								
Operating Assistance - Act 51 - final audit payback	N/A	FY02	-	(7,557)	-	(7,557)	-	-
Operating Assistance - Act 51 - final audit payback	N/A	FY03	-	(7,879)	-	(7,879)	-	-
Operating Assistance - Act 51 - prior year deferrals	N/A	Prior years	-	37,270	-	37,270	-	-
Operating Assistance - Act 51 - current year receipts	N/A	FY06	-	36,581	-	36,581	-	-
Operating Assistance - Act 51 - current year deferrals	N/A	FY06	-	(13,078)	-	(13,078)	-	-
Operating Assistance - Act 51	N/A	FY06	-	23,503	-	23,503	-	-
Operating Assistance - Act 51 - current year receipts	N/A	FY07	-	110,790	-	110,790	-	-
Operating Assistance - Act 51 - current year deferrals	N/A	FY07	-	(7,657)	-	(7,657)	-	-
Operating Assistance - Act 51	N/A	FY07	-	103,133	-	103,133	-	-
Total Operating Assistance - Act 51			-	148,470	-	148,470	-	-
<b>Total</b>			\$ 212,354	\$ 63,884	\$ 148,470	\$ -	\$ -	\$ -



**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF STATE AND FEDERAL AWARDS (2A)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>7/1/06 to 9/30/2006</u>	<u>10/1/06 to 6/30/2007</u>	<u>Total</u>
Michigan Department of Transportation			
Formula operating assistance (Act 51) - FY02 audit payback	\$ (3,780)	\$ (3,777)	\$ (7,557)
Formula operating assistance (Act 51) - FY03 audit payback	(3,378)	(4,501)	(7,879)
Formula operating assistance (Act 51) - prior year deferral	37,270	-	37,270
Formula operating assistance (Act 51) - FY06 current year receipts	36,581	-	36,581
Formula operating assistance (Act 51) - FY06 current year deferral	(13,078)	-	(13,078)
Formula operating assistance (Act 51) - FY07 current year receipts	-	110,790	110,790
Formula operating assistance (Act 51) - FY07 current year deferral	-	(7,657)	(7,657)
Total Michigan Department of Transportation	<u>53,615</u>	<u>94,855</u>	<u>148,470</u>
Federal grants			
Section 5311 grant prior years	329	-	329
Section 5311 grant 02-0019/Z7 - current year receipts	17,337	-	17,337
Section 5311 grant 02-0019/Z7 - prior year accrual	(5,218)	-	(5,218)
Section 5311 grant 07-01779/Z1 - current year receipts	-	44,439	44,439
Section 5311 grant 07-01779/Z1 - current year accrual	-	6,997	6,997
Total federal grants	<u>12,448</u>	<u>51,436</u>	<u>63,884</u>
<b>Total</b>	<b>\$ 66,063</b>	<b>\$ 146,291</b>	<b>\$ 212,354</b>

**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF STATE AND FEDERAL AWARDS (2B)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>10/1/05 to 6/30/2006</u>	<u>7/1/06 to 9/30/2006</u>	<u>Total</u>
Michigan Department of Transportation			
Formula operating assistance (Act 51) - prior year audit payback	\$ 11,617	\$ -	\$ 11,617
Formula operating assistance (Act 51) - FY02 audit payback	-	(3,780)	(3,780)
Formula operating assistance (Act 51) - FY03 audit payback	-	(3,378)	(3,378)
Formula operating assistance (Act 51) - Prior year deferral	20,749	37,270	58,019
Formula operating assistance (Act 51) - FY06 current year receipts	109,755	36,581	146,336
Formula operating assistance (Act 51) - FY06 current year deferral	(18,414)	(13,078)	(31,492)
Total Michigan Department of Transportation	<u>123,707</u>	<u>53,615</u>	<u>177,322</u>
Federal grants			
Section 5311 grant prior years	-	329	329
Section 5311 grant 02-0019/Z6 - current year receipts	8,350	-	8,350
Section 5311 grant 02-0019/Z7 - current year receipts	33,918	17,337	51,255
Section 5311 grant 02-0019/Z7 - prior year accrual	5,218	(5,218)	-
Total federal grants	<u>47,486</u>	<u>12,448</u>	<u>59,934</u>
<b>Total</b>	<b>\$ 171,193</b>	<b>\$ 66,063</b>	<b>\$ 237,256</b>

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF OPERATING AND CONTRACT EXPENSES (3)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Operations</u>	<u>Maintenance</u>	<u>General Administration</u>	<u>Total System</u>
<b>Operating expenses</b>				
Labor				
Salaries and wages	\$ 184,829	\$ 18,850	\$ 14,868	\$ 218,547
Fringe benefits	25,870	2,498	4,407	32,775
Services				
Audit	-	-	3,000	3,000
Other services	-	21,768	35,200	56,968
Materials and supplies				
Fuel	32,056	-	-	32,056
Other materials and supplies	3,365	31,256	384	35,005
Casualty and liability costs				
Insurance	8,965	-	-	8,965
Utilities	7,806	-	-	7,806
Depreciation	-	-	81,823	81,823
<b>Total operating expenses</b>	<u>\$ 262,891</u>	<u>\$ 74,372</u>	<u>\$ 139,682</u>	<u>\$ 476,945</u>

The methodology identified in the cost allocation plan approved by the Michigan Department of Treasury was followed for indirect costs (\$35,200 included above in the services category).

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF OPERATING EXPENSE SPLIT**  
**BETWEEN A JUNE 30 AND SEPTEMBER 30 YEAR END (3A)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>7/1/06 to 9/30/2006</u>	<u>10/1/06 to 6/30/2007</u>	<u>Total</u>
<b>Expenses</b>			
Labor	\$ 40,419	\$ 178,128	\$ 218,547
Fringe benefits	6,340	26,435	32,775
Service	3,488	56,480	59,968
Materials and supplies	13,608	53,453	67,061
Casualty and liability costs	8,965	-	8,965
Utilities	-	7,806	7,806
Depreciation	20,841	60,982	81,823
<b>Total expenses</b>	<u>\$ 93,661</u>	<u>\$ 383,284</u>	<u>\$ 476,945</u>

**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF OPERATING EXPENSE SPLIT**  
**BETWEEN A JUNE 30 AND SEPTEMBER 30 YEAR END (3B)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>10/1/05 to 6/30/2006</u>	<u>7/1/06 to 9/30/2006</u>	<u>Total</u>
<b>Expenses</b>			
Labor	\$ 171,851	\$ 40,419	\$ 212,270
Fringe benefits	20,833	6,340	27,173
Service	48,981	3,488	52,469
Materials and supplies	41,309	13,608	54,917
Casualty and liability costs	(619)	8,965	8,346
Utilities	3,653	-	3,653
Depreciation	61,470	20,841	82,311
<b>Total expenses</b>	<u>\$ 347,478</u>	<u>\$ 93,661</u>	<u>\$ 441,139</u>

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF NET ELIGIBLE COSTS**  
**COMPUTATIONS OF GENERAL OPERATIONS**

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Federal Section 5311</u>		<u>State Operating Assistance</u>	
	<u>7/1/06 to</u>	<u>10/1/06 to</u>	<u>7/1/06 to</u>	<u>10/1/06 to</u>
	<u>9/30/2006</u>	<u>6/30/2007</u>	<u>9/30/2006</u>	<u>6/30/2007</u>
<b>Expenses</b>				
Labor	\$ 40,419	\$ 178,128	\$ 40,419	\$ 178,128
Fringe benefits	6,340	26,435	6,340	26,435
Service	3,488	56,480	3,488	56,480
Materials and supplies	13,608	53,453	13,608	53,453
Casualty and liability costs	8,965	-	8,965	-
Utilities	-	7,806	-	7,806
Depreciation	20,841	60,982	20,841	60,982
<b>Total expenses</b>	<u>93,661</u>	<u>383,284</u>	<u>93,661</u>	<u>383,284</u>
<b>Less ineligible expenses</b>				
Depreciation	20,841	60,982	20,841	60,982
Audit fees	-	-	-	3,000
Federal grants - RTAP	-	-	-	-
<b>Total ineligible expenses</b>	<u>20,841</u>	<u>60,982</u>	<u>20,841</u>	<u>63,982</u>
<b>Net eligible expenses</b>	<u>\$ 72,820</u>	<u>\$ 322,302</u>	<u>\$ 72,820</u>	<u>\$ 319,302</u>
Eligible for state operating assistance			72,820	319,302
Maximum Section 5311 Reimbursement (17% for FY 2006, 16% for FY 2007)	<u>\$ 12,379</u>	<u>\$ 51,568</u>	<u>12,379</u>	<u>51,568</u>
State operating assistance base			<u>\$ 60,441</u>	<u>\$ 267,734</u>
Maximum State operating assistance reimbursement (38.8857%)/(38.6208)			\$ 23,503	\$ 103,401
Amount received to June 30, 2007		<u>44,439</u>	<u>36,581</u>	<u>110,790</u>
Receivable (payable)		<u>\$ 7,129</u>	<u>\$ (13,078)</u>	<u>\$ (7,389)</u>

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE SECTION 5311 OPERATING ASSISTANCE**  
**FOR THE PRIOR PERIOD OCTOBER 1, 2005**  
**THROUGH SEPTEMBER 30, 2006**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>10/1/05 to</u> <u>6/30/2006</u>	<u>7/1/06 to</u> <u>9/30/2006</u>	<u>Total</u>
<b>Expenses</b>			
Labor	\$ 171,851	\$ 40,419	\$ 212,270
Fringe benefits	20,833	6,340	27,173
Service	48,981	3,488	52,469
Materials and supplies	41,309	13,608	54,917
Casualty and liability costs	(619)	8,965	8,346
Utilities	3,653	-	3,653
Depreciation	61,470	20,841	82,311
<b>Total expenses</b>	<u>347,478</u>	<u>93,661</u>	<u>441,139</u>
<b>Less ineligible expenses</b>			
Depreciation	61,470	20,841	82,311
Federal grants - RTAP	-	-	-
<b>Total ineligible expenses</b>	<u>61,470</u>	<u>20,841</u>	<u>82,311</u>
<b>Net eligible expenses</b>	<u>\$ 286,008</u>	<u>\$ 72,820</u>	<u>\$ 358,828</u>
Setion 5311 reimbursement (17%)	<u>48,621</u>	<u>12,379</u>	<u>\$ 61,001</u>
Maximum award per contract			\$ 51,255
Amount received for above expense	<u>\$ 33,918</u>	<u>\$ 17,337</u>	<u>51,255</u>
Amount due from Michigan Department of Transportation			<u>\$ -</u>

Note that service expenses reported in the first column were increased from the balance included in the FY 2006 audit report. This change was made to reflect transfers to the general fund as allowable cost (per the approved cost allocation plan). These transfers were incorrectly excluded from eligible expense in the 2006 audit report.

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF STATE OPERATING ASSISTANCE**  
**FOR THE PRIOR PERIOD OCTOBER 1, 2005**  
**THROUGH SEPTEMBER 30, 2006**

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>10/1/05 to 6/30/2006</u>	<u>7/1/06 to 9/30/2006</u>	<u>Total</u>
<b>Expenses</b>			
Labor	\$ 171,851	\$ 40,419	\$ 212,270
Fringe benefits	20,833	6,340	27,173
Service	48,981	3,488	52,469
Materials and supplies	41,309	13,608	54,917
Casualty and liability costs	(619)	8,965	8,346
Utilities	3,653	-	3,653
Depreciation	61,470	20,841	82,311
<b>Total expenses</b>	<u>347,478</u>	<u>93,661</u>	<u>441,139</u>
<b>Less ineligible expenses</b>			
Depreciation	61,470	20,841	82,311
Audit	3,000	-	3,000
Federal grants - RTAP	-	-	-
<b>Total ineligible expenses</b>	<u>64,470</u>	<u>20,841</u>	<u>85,311</u>
<b>Net eligible expenses</b>	<u>283,008</u>	<u>72,820</u>	<u>355,828</u>
Maximum section 5311 reimbursement	<u>48,111</u>	<u>12,379</u>	<u>60,491</u>
Eligible for state assistance	<u>\$ 234,897</u>	<u>\$ 60,441</u>	<u>\$ 295,337</u>
State statutory operating assistance			
The lower of its:			
Statutory cap:			
60.0% eligible expense for non-urbanized areas			<u>\$ 177,202</u>
But at least the minimum of its 1997 payments			<u>\$ 198,943</u>
Reimbursement due	<u>\$ 91,341</u>	<u>\$ 23,503</u>	<u>\$ 114,844</u>
Amount received for the above expenses	<u>\$ 109,755</u>	<u>\$ 36,581</u>	<u>146,336</u>
Amount due from Michigan Department of Transportation			<u>\$ (31,492)</u>

Note that service expenses reported in the first column were increased from the balance included in the FY 2006 audit report. This change was made to reflect transfers to the general fund as allowable cost (per the approved cost allocation plan). These transfers were incorrectly excluded from eligible expense in the 2006 audit report.

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF CONTRIBUTED ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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	<u>Federal</u>	<u>State</u>	<u>Total</u>
Balance - July 1, 2006	\$ 175,584	\$ 12,806	\$ 188,390
Additions	-	-	-
Depreciation	<u>(77,250)</u>	<u>(4,573)</u>	<u>(81,823)</u>
<b>Balance June 30, 2007</b>	<b><u>\$ 98,334</u></b>	<b><u>\$ 8,233</u></b>	<b><u>\$ 106,567</u></b>

**CITY OF BIG RAPIDS**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF NONFINANCIAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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	<u>Miles</u>	<u>Hours</u>
Demand response		
First quarter (7/1/06 to 9/30/06)	19,926	1,723
Second quarter (10/1/06 to 12/31/06)	25,326	2,173
Third quarter (1/1/07 to 3/31/07)	26,037	2,177
Fourth quarter (4/1/07 to 6/30/07)	<u>22,373</u>	<u>2,300</u>
<b>Total</b>	<u>93,662</u>	<u>8,373</u>

**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF NONFINANCIAL INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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	<u>Miles</u>	<u>Hours</u>
Demand response		
First quarter (10/1/05 to 12/31/05)	24,870	2,036
Second quarter (1/1/06 to 3/31/06)	25,933	2,218
Third quarter (4/1/06 to 6/30/06)	22,702	1,899
Fourth quarter (7/1/06 to 9/30/06)	<u>19,926</u>	<u>1,723</u>
<b>Total</b>	<u>93,431</u>	<u>7,876</u>

Suggestions regarding the compilation of nonfinancial information have been provided during the annual audit.



**CITY OF BIG RAPIDS**  
**CONTINUING DISCLOSURE**

**A. Number of Water Customers**

<u>Type of User</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Residential	1,645	1,686	1,625	1,619	1,615
Commerical	398	396	359	343	341
Institutional	254	249	242	234	237
Industrial	<u>20</u>	<u>19</u>	<u>19</u>	<u>21</u>	<u>21</u>
Total	<u>2,317</u>	<u>2,350</u>	<u>2,245</u>	<u>2,217</u>	<u>2,214</u>

\*Information is for a calendar year  
Source: City of Big Rapids

**B. Water Consumption By Category (1,000 Gallons)**

<u>Type of User</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Residential, commerical, industrial	206,150	216,488	211,757	215,253	219,957
Government/institutional	<u>170,025</u>	<u>174,622</u>	<u>162,158</u>	<u>154,588</u>	<u>162,507</u>
Total	<u>376,175</u>	<u>391,110</u>	<u>373,915</u>	<u>369,841</u>	<u>382,464</u>

\*Information is for a calendar year  
Source: City of Big Rapids

**C. Percentage of Water Consumption By Category**

<u>Type of User</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Residential	22%	24%	25%	26%	26%
Governmental/Institutional	45%	45%	43%	42%	42%
Commercial/Industrial	<u>33%</u>	<u>31%</u>	<u>32%</u>	<u>32%</u>	<u>32%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

\*Information is for a calendar year  
Source: City of Big Rapids

**CITY OF BIG RAPIDS**  
**CONTINUING DISCLOSURE**

**D. Water Pumped vs. Water Sold**

The following table presents five-year history of the number of gallons of water pumped vs. the number of gallons of water sold.

<u>Fiscal year</u>	<u>Gallons Pumped</u>	<u>Gallons Sold</u>	<u>Sold as a % of Pumped</u>
2002-2003	437.6	382.4	87.39%
2003-2004	441.6	369.8	83.74%
2004-2005	418.6	373.9	89.32%
2005-2006	444.2	385.3	86.74%
2006-2007			

\*Gallons are millions of gallons

Source: City of Big Rapids

**E. Water Rates (As of November 1, 2006)**

The City has implemented the following rates.

<u>Meter Size (inches)</u>	<u>Monthly Capacity Charge for Non-Institutional</u>	<u>Monthly Capacity Charge for Institutional</u>
5/8	\$ 1.30	\$ 5.25
3/4	7.85	12.00
1	14.15	19.75
1 1/2	27.65	42.75
2	50.75	82.25
3	86.75	140.75
4	159.75	267.75
6	230.75	433.25

Commodity charges are \$3.70/1,000 gallons for non-institutional, 4.00/1,000 gallons for institutional

Source: City of Big Rapids

**CITY OF BIG RAPIDS**  
**CONTINUING DISCLOSURE**

**F. Historical Net Earnings and Cash Flow - Water Supply System Fund**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating revenue	\$ 1,691,933	\$ 1,936,558	\$ 1,817,214	\$ 1,742,675	\$ 1,704,327
Operating expense	<u>1,479,193</u>	<u>1,553,434</u>	<u>1,340,055</u>	<u>1,268,087</u>	<u>1,390,479</u>
Operating income	212,740	383,124	477,159	474,588	313,848
Interest revenue	36,622	8,391	36,700	(3,254)	14,190
Interest expense	<u>(197,574)</u>	<u>(172,408)</u>	<u>(178,406)</u>	<u>(186,379)</u>	<u>(194,073)</u>
Net income	51,788	219,107	335,453	284,955	133,965
Plus : Depreciation expense	373,831	396,134	334,489	329,346	318,191
Plus: Interest expense	<u>172,408</u>	<u>172,408</u>	<u>178,406</u>	<u>186,379</u>	<u>194,043</u>
Net revenue	\$ <u>598,027</u>	\$ <u>787,649</u>	\$ <u>848,348</u>	\$ <u>800,680</u>	\$ <u>646,199</u>
Maximum annual debt service requirements	\$ <u>382,773</u>	\$ <u>344,987</u>	\$ <u>344,988</u>	\$ <u>336,379</u>	\$ <u>344,990</u>
Coverage ratio	1.56%	2.28%	2.46%	2.38%	1.87%

Source: City of Big Rapids audited financial statements

**G. Water Usage and Revenue - Ten Largest Customers**

<u>Customer</u>	<u>Usage (1,000) Gallons</u>		<u>Revenues</u>	
	<u>Usage</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Ferris State University	134,338.00	35.71%	\$ 719,669	45.81%
Haworth	15,231.00	4.05%	59,116	3.76%
Mecosta County Medical Center	14,541.00	3.87%	75,511	4.81%
Big Rapids Housing Commission	11,419.00	3.04%	62,285	3.97%
Hillcrest/Oakwood	9,657.00	2.57%	40,201	2.56%
Altercare	4,986.00	1.33%	23,512	1.50%
Big Rapids Schools	4,624.00	1.23%	32,443	2.07%
Jennings Mobile Home	4,292.00	1.14%	22,062	1.40%
Campus Village	4,002.00	1.06%	20,534	1.31%
Greenridge	<u>3,566.00</u>	<u>0.95%</u>	<u>14,756</u>	<u>0.94%</u>
Total	<u>206,656.00</u>	<u>54.94%</u>	\$ <u>1,070,089</u>	<u>68.12%</u>

\*Based on 2006 calendar year usage of 376,175 gallons and revenues of \$1,570,845

Source: City of Big Rapids

**H. Major Water Customers within the City - Five Year History**

<u>Fiscal year</u>	<u>Ferris State University</u>	<u>Mecosta County General Hospital</u>	<u>Big Rapids Housing Commission</u>	<u>Haworth</u>	<u>Hillcrest/Oakwood</u>
2002	126,924	3,786	11,058	10,343	6,704
2003	130,528	7,978	10,811	10,671	6,710
2004	115,214	12,718	12,417	9,474	6,249
2005	131,205	14,973	11,737	12,190	6,249
2006	134,338	14,541	11,419	15,231	9,657

\*Based on usage in millions of gallons

\*Low usage is reported for Mecosta County General Hospital for the 2002 and 2003 years as a result of meter malfunction

Source: City of Big Rapids



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### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

September 24, 2007

Honorable Mayor and Members of the City Commission  
City of Big Rapids, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Big Rapids, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the City of Big Rapids' basic financial statements and have issued our report thereon dated September 24, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Big Rapids' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Big Rapids' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Big Rapids' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Big Rapids' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Big Rapids' financial statements that is more than inconsequential will not be prevented or detected by the City of Big Rapids' internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-3 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Big Rapids' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Big Rapids' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Big Rapids' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Big Rapids' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Orndorff Hoefner LLC*



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### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

September 24, 2007

Honorable Mayor and Members of the City Commission  
City of Big Rapids, Michigan

#### **Compliance**

We have audited the compliance of the City of Big Rapids, Michigan, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of Big Rapids' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Big Rapids' management. Our responsibility is to express an opinion on the City of Big Rapids' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Big Rapids' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Big Rapids' compliance with those requirements.

In our opinion, the City of Big Rapids, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2.

#### **Internal Control Over Compliance**

The management of the City of Big Rapids is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Big Rapids' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider both items above to be material weaknesses.

The City of Big Rapids' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Big Rapids' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Orlanderold Haefner LLC*

**CITY OF BIG RAPIDS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</b>	<b>Grant Number</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
US Department of Justice			
Bullet Proof Vests		16.607	\$ 1,941
Michigan State Police			
Youth Alcohol Enforcement		16.727	18,281
Youth Alcohol Enforcement	AL-07-12	16.727	6,517
Michigan Department of Community Health			
Byrne Memorial Justice Assistance Grant	70894-7-07-B	16.738	142,064
Byrne Memorial Justice Assistance Grant	70894-6-06-B	16.738	95,735
Total US Department of Justice			<u>264,538</u>
US Department of Transportation			
Michigan State Police			
Challenge Award - Seatbelt Safety	PT 06-61	20.600	<u>5,000</u>
Passed through Michigan Department of Transportation			
Federal section 5311 operating - prior fiscal years		20.509	329
Federal section 5311 operating	02-0019/Z7	20.509	12,119
Federal section 5311 operating	07-0177/Z1	20.509	<u>51,436</u>
Total passed through Michigan Department of Transportation			<u>63,884</u>
US Department of Agriculture			
Rural Development Police/Fire Vehicle Grant		10.766	<u>33,000</u>
Department of Housing and Urban Development			
Passed through Michigan Strategic Fund			
Community Development Block Grant	200621-CAT	14.228	149,177
Community Development Block Grant	204031-PW	14.228	31,645
Community Development Block Grant	205035-PARKING	14.228	<u>108,416</u>
			<u>289,238</u>
Total Expenditures of Federal Awards			<u>\$ 655,660</u>

Expenditures on the schedule of expenditures of federal awards may differ from expenditures in the financial statements due to assets purchased with capital grants being capitalized and depreciated over the related asset's estimated useful life in proprietary funds.



**CITY OF BIG RAPIDS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unqualified on basic financial statements	
Internal controls over financial reporting		
Material weaknesses identified?	<u>  X  </u> yes	<u>      </u> no
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

**Federal Awards**

Internal control over major programs		
Material weaknesses identified?	<u>  X  </u> yes	<u>      </u> no
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> yes	<u>  X  </u> none reported
Type of auditors' report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section 510(a)?	<u>  X  </u> yes	<u>      </u> no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
16.738	Byrne Memorial Justice Assistance Grant

Dollar threshold used to distinguish between Type A and B programs?	<u> \$300,000 </u>
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>  X  </u> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

2007-3

Conditions: The City staff has not recorded all entries necessary to prepare fund basis financial statements or the government-wide financial statements in accordance with generally accepted accounting principles.

Effect: Auditing standards require that the inability to prepare financial statements in accordance with generally accepted accounting principles be reported as a material weakness.

Recommendation: The City's system of control should be modified so that general ledger balances are reviewed and adjusted periodically to reflect balances in accordance with generally accepted accounting principles.

Management corrective action: The Treasurers Office is evaluating the costs and benefits associated with the time required to account for the City's finances in accordance with generally accepted accounting principles.

**CITY OF BIG RAPIDS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

2007-1

Conditions: The city has not established a system for monitoring subrecipients of federal financial assistance.

Effect: The City has not monitored subrecipients of federal financial assistance as required under grant agreements

Recommendation: The City should develop and implement a system for monitoring subrecipients of federal financial assistance as required by grant agreements.

Management corrective action: The City will develop and implement a system for monitoring subrecipients of federal financial assistance.

2007-2

Conditions: The City does not have a process in place to identify and track those capital assets acquired with federal financial assistance.

Effect: The City is not able to readily identify and track capital assets purchased with federal financial assistance.

Recommendation: The City should develop a system to identify and track capital assets purchased with federal financial assistance.

Management corrective action: The City's current capital asset inventory system will be modified to identify and track capital assets purchased with federal financial assistance.

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

None noted